



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

May 11, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF LEASE AGREEMENT WITH MC CARTHY, CLARK, HUNT, A JOINT
VENTURE FOR THE USE OF THE COUNTY PARKING STRUCTURE AT
1950 MARENGO STREET, LOS ANGELES
LAC+USC MEDICAL CENTER
(FIRST DISTRICT) (FOUR VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Make a finding that a portion of the subject parking structure is not required exclusively for County use.
2. Approve and instruct the Chairman to sign the attached Lease Agreement with McCarthy, Clark, Hunt, a Joint Venture (MCH) for the use of up to 400 parking spaces at 1950 Marengo Street, Los Angeles.
3. Direct the Auditor-Controller to deposit any revenue collected under the attached Lease Agreement into the Medical Center Replacement Project Accumulated Capital Outlay fund.
4. Find that this lease is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to enter into a Lease Agreement with MCH for their use of up to 400 parking spaces at the County's parking structure located within the LAC+USC Medical Center. MCH is the General Contractor for the LAC+USC Medical Center Replacement Project, and the spaces are needed to support the additional work force anticipated as construction activity for the project intensifies.

The County currently provides 150 parking spaces to MCH in the parking structure at 1950 Marengo Street under the terms of the construction contract awarded by your Board on November 14, 2002.

The parking structure contains almost 3,000 spaces, of which approximately 1,700 are used for patient, visitor, contractor and staff parking. There will be no negative impact on the availability of patient and visitor parking at the Medical Center because of this agreement.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide the public with quality services that are both beneficial and responsive (Goal 1). The leasing of parking facilities needed to meet a County construction requirement is consistent with that Goal.

FISCAL IMPACT/FINANCING

This office has determined, based on a review of market data, the fair market value of rent to be \$45 per space per month. MCH will pay the County a minimum of \$4,500 per month or \$54,000, annually for the use of 100 parking spaces. MCH will be allowed to use up to 400 spaces, although the County retains the right to reduce the number of spaces to 100. Over the three-year period of the lease, the County will receive a minimum of \$162,000 and a maximum of \$648,000. This amount is subject to adjustment in accordance with the Consumer Price Index (CPI) after the second year of the lease. Funds received for the parking spaces will be deposited into the Medical Center Replacement Project Accumulated Capital Outlay fund to be used for the purchase of medical equipment, information systems, and costs associated with the transition of patients from the current hospital to the new facility.

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FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On November 14, 2002 your Board awarded a construction contract to MCH for the construction of a 1.5-million-square-foot, 600-bed LAC+USC Replacement Project. The contract included 150 parking spaces for use by MCH for the contract period. During construction, the project will require an increase to the current work force and MCH has therefore requested the use of up to 400 spaces of additional parking. Accordingly, this office has negotiated a three-year lease agreement for a minimum of 100 parking spaces and maximum of 400 parking spaces in the subject parking lot. Upon 30 days notice, the County may reduce the number of spaces leased. The minimum monthly rental shall be \$4,500 and the maximum monthly rental shall be \$18,000. The lease provides for an annual CPI rental adjustment. Either party may cancel the agreement upon giving the other party a 30 days prior written notice.

The attached Lease Agreement, which is authorized pursuant to Government Code Section 25536 has been executed by MCH and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from CEQA requirements as specified in Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

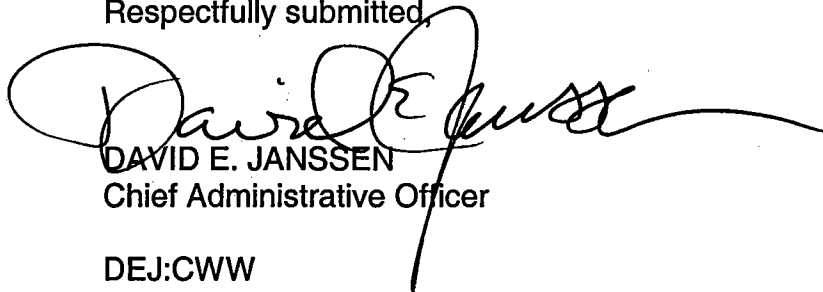
There will be no impact to County services at the LAC+USC Medical Center. The additional parking will facilitate the completion of the project. The Department of Health Services and the Department of Public Works are in concurrence with the proposed agreement.

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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed Lease Agreement and the adopted, stamped Board letter, and two certified copies of the Minute Order to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read "David E. Janssen".

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:CWW
CB:AA:cc

Attachment

c: County Counsel
Department of Health Services
Department of Public Works

1950Marengo.b

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this _____ day of _____, 2004,

BY AND BETWEEN

COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "County,"

AND

MCCARTHY, CLARK, HUNT, a Joint Venture, hereinafter referred to as "Lessee,"

WITNESSETH:

WHEREAS, County is the owner of certain real property which is not required exclusively for County use; and

WHEREAS, Lessee is desirous of using on an exclusive basis, only a portion of said real property;

WHEREAS, Lessee is willing to exercise the grant of such Lease in accordance with the terms and conditions prescribed therefore;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions set forth herein, the parties hereto and each of them do agree as follows:

1. PREMISES

1.01 County hereby grants a Lease to Lessee and Lessee hereby hires and rents from County on the terms and conditions hereinafter set forth, for the use of up to four hundred (400) parking spaces in the parking structure located at 1950 Marengo Street, Los Angeles, CA 90033 as shown on Exhibit A attached hereto and by this reference incorporated herein. Parking spaces will be allocated to Lessee in areas designated by the County ("the Premises"). Sections 9C and or 9D of the parking structure have been designated for use by Lessee. Lessee shall not park in Sections 9A or 9B.

1.02 The leased Premises shall be used only by Lessee, its officers, employees, contractors, agents, and guests for parking purposes in connection with Lessee's construction activities for the LAC+USC Hospital replacement project. Use of parking shall be restricted to normal business hours related to the construction project.

1.03 Lessee shall make no alterations or improvements to the Premises unless written approval is first obtained from the Chief Administrative Office (CAO). All alterations and improvements are to be made at Lessee's expense.

1.04 Lessee shall remove all personal property prior to the termination of this Lease and in the event of the failure to do so, title thereto shall vest in County. All alterations, additions or betterments to the Premises furnished shall become the property of County upon the termination of the Lease.

1.05 Lessee acknowledges personal inspection of the Premises and the surrounding area and evaluation of the extent to which the physical condition thereof will affect the Lease. Lessee accepts the Premises in its present physical condition and agrees to make no demands upon County for any improvements or alteration thereof.

1.06 Lessee hereby acknowledges the title of County and/or any other public agencies having jurisdiction thereover, in and to the Premises and covenants and agrees never to assail, contest or resist said title.

2. TERM

2.01 The term of the lease shall commence upon full execution of this Lease by the County and end January 31, 2007.

2.02 Either party may cancel this Lease upon thirty (30) days prior written notice.

2.03 In case Lessee holds over beyond the end of the term, such tenancy will be from month-to-month only, subject to the provisions and conditions of this Lease, but shall not be a renewal or extension hereof. Either party may, during the holdover, cancel this Lease by giving the other party at least thirty (30) days prior written notice.

3. CONSIDERATION

3.01 Lessee shall pay the rate of Forty Five Dollars (\$45) per space per month and be permitted to use from a minimum of one hundred (100) to a maximum of four hundred (400) parking spaces. Lessee agrees that upon Lease commencement as provided herein, Lessee shall use four hundred (400) spaces and make payments of Eighteen Thousand Dollars (\$18,000) per month. In no event shall the monthly payment by Lessee be less than Four Thousand Five Hundred Dollars (\$4,500) per month. Said parking rate shall be subject to any rental adjustments pursuant to Section 4 below.

3.02 Payments shall be payable on the first day of each and every month of the term hereof and shall be made by check or draft issued and payable to the Franchise/Concession Section, Auditor-Controller, County of Los Angeles, 500 West Temple Street, Room 410, Los Angeles, California 90012

3.03 Upon thirty (30) days written notice, County shall have the right to reduce the number of parking spaces leased by Lessee if County operations or improvements to or maintenance of the Premises reasonably so require. Upon thirty (30) days written

notice, Lessee shall have the right to request a decrease in the number of spaces it leases or an increase in the number of parking spaces it leases up to the maximum four hundred (400) allowed herein. County shall consider Lessee's request in good faith, and grant its request if it does not have a present or foreseeable need for the spaces, or if Lessee's request will not adversely affect County's operations serviced by the parking structure. In no event shall the maximum number of spaces leased exceed four hundred (400) nor shall the minimum number of spaces leased be less than one hundred (100).

4. RENTAL ADJUSTMENT

4.01 Commencing with the second anniversary of the lease term, and for each successive one year period therefrom, the rental rate set forth in paragraph 3 shall be subject to adjustment. The rental rate shall be adjusted in accordance with the formula set forth in paragraph 4.02. The "Base Index" shall be the index published in the month immediately preceding the month in which the Lease commences.

4.02 The method for computing the rental adjustment shall be by reference to the Consumer Price Index (CPI) for all Urban Consumers for the Los Angeles-Long Beach-Anaheim Metropolitan area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100) hereinafter referred to as the "Index".

The rental adjustment shall be calculated by multiplying the base rate of Forty Five Dollars (\$45) per space per month, by a fraction, the numerator being the New Index which is the Index published in the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index which is the Index published the month immediately preceding the month in which the Lease commenced. The formula shall be as follows:

$$\frac{\text{New Index} \times \$45.00}{\text{Base Index}} = \text{New Rate}$$

The resulting monthly rate shall apply for all spaces leased by Lessee pursuant to Paragraph 3.03.

If the Index is changed so that the base year of the Index differs from that used at the commencement date of this Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Lease, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

In no event shall the monthly rent adjustment based upon the CPI formula set forth in Paragraph 4.02 result in an annual increase greater than 3 percent of the monthly base rate of Forty Five Dollars (\$45.00) per space.

In no event shall the monthly rent be adjusted by the CPI formula to result in a lower monthly rent than was payable during the previous year.

5. OPERATING RESPONSIBILITIES

5.01 Compliance with Law. Lessee shall conform to and abide by all Municipal and County ordinances and all State and Federal laws and regulations insofar as the same or any of them are applicable; and where permits and/or leases are required, the same must be first obtained from the regulatory agency having jurisdiction thereover.

5.02 Signs. Lessee shall not post signs or advertising matter upon the Premises or improvements thereon unless prior approval therefore is obtained from the CAO, whose approval shall not be unreasonably withheld.

5.03 Sanitation. No offensive matter or refuse or substance constituting an unnecessary, unreasonable, or unlawful fire hazard, or material detrimental to the public health, shall be permitted to be brought onto, stored, or remain on the leased Premises, and Lessee shall prevent any accumulation thereof from occurring. Lessee shall pay all charges which may be made for the removal thereof.

5.04 Security Devices. Lessee shall be required to enter the parking structure using an access card and display a hang tag while parked. County will issue access cards and hang tags to Lessee. In the event said cards or hang tags are lost or stolen, Lessee agrees to pay a fee of Fifteen Dollars (\$15) for the replacement of each card or tag. Payment for all access cards shall be made directly to the Department of Health Services.

5.05 Maintenance. County shall be responsible for maintaining the Premises in a clean and sanitary condition.

5.06 Utilities. County shall be responsible for all utilities necessary for the operation of the Premises. Lessee waives any and all claims against County for compensation for loss or damages caused by a defect, deficiency, or impairment of any utility/security system or electrical/telephone apparatus or wires serving the Premises.

5.07 Examination of Premises. Lessee shall permit authorized representatives of the County to enter the area at any time for the purpose of determining whether the authorized activities are being conducted in compliance with the terms of this Lease, or for any other purpose incidental to the performance of the duties required by the Los Angeles County Code.

5.08 Assigned/Designated Spaces. County shall have the right to assign or designate parking areas of the parking garage to be used by Lessee. Said parking areas may be changed at the County's discretion during the term of the lease. Vehicles shall be required to display tags while parking on the premises. Lessee shall park in only those areas that are designated by the County. County shall provide prior notice to Lessee for any parking changes. Automobiles parking in unauthorized areas will be cited.

6. HOLD HARMLESS AND INDEMNIFICATION

Lessee agrees to indemnify, defend and save harmless County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, expense, including defense costs and legal fees and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with Lessee's, its members, agents and invitees, operations and use of the Premises and the attraction caused by their operations on the Premises which attracts third parties and members of the general public to the Premises, including any Workers' Compensation suits, liability or expense, arising from or connected with services performed on behalf of Lessee by any person pursuant to or in connection with this Lease.

7. INSURANCE

7.01 Without limiting Lessee's indemnification of County, Lessee shall provide and maintain at its own expense during the term of this Lease the following program(s) of insurance covering Lessee's operation hereunder. Such insurance shall be provided by insurer(s) satisfactory to County's Risk Manager and evidence of such programs satisfactory to County shall be delivered to the CAO's Real Estate Division, on or before the effective date of this Lease. Such evidence shall specifically identify this Lease and shall contain express conditions that County is to be given written notice at least 30 days in advance of any material modification or termination of any program of insurance.

a. General Liability. A program including, but not limited to: comprehensive general liability, endorsed for contractual liability, independent contractor, products-completed operations, premises, broad form property damage with a combined single limit of not less than One Million Dollars (\$1,000,000.00) per occurrence. Such insurance shall be primary to and not contributing with any other insurance maintained by County and shall name the County of Los Angeles as an additional insured.

b. Workers' Compensation. A program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California and which specifically covers all persons providing services by or on behalf of Lessee and all risks to such persons under this Lease.

c. Comprehensive Auto Liability. A program of insurance endorsed for all owned and non-owned vehicles with a combined single limit of at least Three Hundred Thousand Dollars (\$300,000.00) per occurrence.

7.02 Failure on the part of Lessee to procure or maintain required insurance shall constitute a material breach of contract upon which County may immediately terminate this Lease.

7.03 Conduct of the leased activities shall not commence until Lessee has complied with the aforementioned insurance requirements, and shall be suspended during any period that Lessee fails to maintain said policies in full force and effect.

8. TAXES AND ASSESSMENTS

The property interest conveyed herein may be subject to real property taxation and/or assessment thereon, and in the event thereof, Lessee shall pay before delinquency all lawful taxes, assessments, fees or charges which at any time may be levied by the Federal, State, County, City, or any other tax or assessment-levying body upon the Premises, any improvements located thereon or any uses made thereof. Lessee does not hereby concede that any real property interest held by it is subject to real property taxation.

9. TRANSFERS

Lessee shall not, without written consent of the County, assign, hypothecate, or mortgage this agreement or sublease any portion of the Premises.

10. DEFAULT

Lessee agrees that if default shall be made in any of the covenants and agreements herein contained to be kept by Lessee, County may forthwith revoke and terminate this Lease.

11. WAIVER

11.01 Any waiver by either party of any breach of any one or more of the covenants, conditions, terms and agreements herein contained shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or agreement herein contained, nor shall failure on the part of either party to require exact, full and complete compliance with any of the covenants, conditions, terms or agreements herein contained be construed as in any manner changing the terms of this Lease or estopping either party from enforcing the full provisions thereof.

11.02 No option, right, power, remedy, or privilege of either party shall be construed as being exhausted by the exercise thereof in one or more instances. The rights, powers, options and remedies given either party by this Lease shall be cumulative.

12. SURRENDER

12.01 Upon expiration of the term hereof or cancellation thereof as herein provided, Lessee shall peaceably vacate the Premises and shall remove all improvements constructed by Lessee, restore the Premises to its original condition, and deliver the Premises to County in reasonably good condition.

12.02 In the event Lessee fails to cause such removal of improvements, County, at its sole discretion, may elect to assume title thereto, or may have them removed and have the Premises restored at Lessee's expense.

13. ENFORCEMENT

The CAO shall be responsible for the enforcement of this Lease on behalf of the County and shall be assisted therein by those officers, employees, or committees of County having duties in connection with the administration thereof.

14. COUNTY LOBBYIST ORDINANCE

Lessee is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as such are defined in Section 2.160.010 of said Code, and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which County may terminate or suspend this Lease.

15. NOTICES

Any notice required to be given under the terms of this Lease or any law applicable thereto may be placed in a sealed envelope, with postage paid, addressed to the person on whom it is to be served, and deposited in a post office, mailbox, sub post office, substation or mail chute, or other like facility regularly maintained by the United States Postal Service. The address to be used for any notice served by mail upon Lessee shall be:

McCarthy, Clark, Hunt, a Joint Venture
1849 Marengo Street
Los Angeles, CA 90033
Attn: Wayne Moloznilk Tel.: (323) 342-1846

or such other place as may hereinafter be designated in writing to the County by Lessee. Any notice served by mail upon County shall be addressed to:

or such other place as may hereinafter be designated in writing to Lessee by the Chief Administrative Officer. Service by mail shall be deemed complete upon deposit in the above-mentioned manner.

The person executing this Lease on behalf of Lessee hereby personally covenants, guarantees and warrants that he/she has the power and authority to obligate the Lessee to the terms and conditions in this Lease.

Lessee certifies and agrees that all persons invited on the Premises by Lessee shall be treated equally without regard to or because of race, religion, ancestry, national origin, or sex, and in compliance with all Federal and State laws prohibiting discrimination in employment, including but not limited to the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the California Fair Employment and Housing Act.

[illegible]

IN WITNESS WHEREOF, Lessee has executed this Agreement or caused it to be duly executed and County of Los Angeles by order of its Board of Supervisors, has caused this Agreement to be executed on its behalf by the Chairman of said Board and attested by the Clerk the day, month and year first above written.

LESSOR:

COUNTY OF LOS ANGELES

By _____
Chairman, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer, The Board of Supervisors

By: _____
Deputy

LESSEE:

MCCARTHY, CLARK, HUNT, a Joint
Venture

By Joelle Hunt
Title Sr. Vice President

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By: Frank Scott
Deputy

EXHIBIT A

